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BOSTON GAS COMPANY

D.T.E. 03-40

FOURTH SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF  
TELECOMMUNICATIONS AND ENERGY TO  
BOSTON GAS COMPANY

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Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy (“Department”) submits to Boston Gas Company (“Boston Gas” or “Company”) the following Information Requests:

INSTRUCTIONS

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term “provide complete and detailed documentation” means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how

- the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting work-papers.
5. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
  6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
  7. Please file one copy of the responses with Mary Cottrell, Secretary of the Department and on all parties; also submit one (1) copy of the responses to John J. Geary, Hearing Officer, one (1) copy of the responses to Sean Hanley, Assistant Director - Rates and Revenue Requirements Division, one (1) copy of the responses to Paul E. Osborne, Assistant Director - Rates and Revenue Requirements Division, two (2) copies of the responses to A. John Sullivan, Rates and Revenue Requirements Division, and one (1) copy to Andreas Thanos, Assistant Director, Gas Division.
  8. In addition to filing, all non-proprietary responses should be submitted by e-mail to [dte.efiling@state.ma.us](mailto:dte.efiling@state.ma.us) and to the e-mail address of any party required to be served.

#### INFORMATION REQUESTS

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| DTE 4-1 | Refer to Exh. KEDNE/PJM-1, at 40. When was the lead/lag study performed?   |
| DTE 4-2 | Refer to Exh. KEDNE/PJM-1, at 40. Please indicate the origin of the 30-day lag that Boston Gas has to pay Keyspan Services.  |
| DTE 4-3 | Refer to Exh. KEDNE/PJM-1, at 40. Does Keyspan Services have its own lag period to pay expenses?   |
| DTE 4-4 | Refer to Exh. KEDNE/PJM-1, at 40. Please explain the difference between direct expenditures and allocated expenditures.  |
| DTE 4-5 | Refer to Exh. KEDNE/PJM - 2, at 41. Please explain the difference between the columns entitled, “Direct Test Year,” the “Allocated Test Year,” and the 2002 test year. |

- DTE 4-6 Refer to Exh. KEDNE/ALS-3. Please provide all calculations and workpapers that support the low-income subsidy amount assigned by the Company to each rate class.
- DTE 4-7 Refer to Exh. KEDNE/ALS-1, at 24. Where in the embedded cost-allocation study (Exh. KEDNE/AEL-5) are the embedded customer costs calculated? Please provide all calculations and workpapers that support the embedded customer cost developed by the Company for each rate class.
- DTE 4-8 Please provide the embedded delivery charges for each rate class for the peak and off-peak season and include all supporting calculations and workpapers.
- DTE 4-9 In a table, for each rate class, for the peak and off-peak seasons, please provide the following: (a) the test year level of CGA revenues; (b) weather normalized test year base revenues; (c) proposed revenue increase at equal rate of return (d) seasonal revenue reallocation; (e) target base revenue requirement excluding the low-income deficiency; (f) allocation of low-income deficiency; (g) proposed base revenue requirement; (h) percentage base revenue increase; (i) total revenue; and (j) percentage total revenue increase. Provide a cross reference of where the numbers appear in the Company's filing and provide supporting calculations and workpapers for each value requested.
- DTE 4-10 Refer to Exh. KEDNE/ALS-1, at 29. Under the rates currently in effect, would any of the customers currently being served under the 60-series rate classes receive an increase in their bill as a result of being switched to the comparable 50-series rate class?
- DTE 4-11 Refer to Exh. KEDNE/ALS-5, at 1. Please provide all calculations and workpapers that support the peak CGA factors and LDAF for each rate class, which are used in the bill-impact analysis.
- DTE 4-12 Please provide a red-line strike-out copy comparing the Company tariffs currently in effect to the proposed tariffs.
- DTE 4-13 Refer to Exh. KEDNE/ALS-4. For each number on each page please provide a cross-reference for where each number came from in the filing and/or the formula used to calculate it.
- DTE 4-14 Please provide a bill-impact analysis for rates G-7 and G-17. As part of the analysis list the proposed rates and current rates used to calculate the bill impacts.

- DTE 4-15 Refer to the pre-filed testimony of Mr. Bodanza at 9. Please provide a copy of any study that was used a basis for the observation that there were substantial growth opportunities in New England due to the relatively low saturation rates for gas service. Also, provide a copy of any update to that study or any more recent studies on saturation rates for gas service in New England.
- DTE 4-16 Refer to the pre-filed testimony of Mr. Bodanza at 9. Please provide a breakdown by major categories (e.g., mains, services) from 1995 through 2002, and the percentage change from the previous year for each category.
- DTE 4-17 Refer to the pre-filed testimony of Mr. Bodanza at 9. Please provide the annual year-end number of customers served by Boston Gas from 1995 through 2003.
- DTE 4-18 Please provide a copy of the Company's system expansion plan in effect during 1995 through 2005.
- DTE 4-19 Refer to the pre-filed testimony of Mr. McClellan at 44. Please provide the annual breakdown of the \$565 million investment since 1996 and indicate the annual dollar changes with the corresponding percentage changes.
- DTE 4-20 Refer to the pre-filed testimony of Mr. McClellan at 44. Please provide the annual breakdown of the \$447 million investment in mains and services since 1996 and indicate the annual dollar changes with the corresponding percentage changes.
- DTE 4-21 Refer to the pre-filed testimony of Mr. McClellan at 44. Please provide an annual breakdown of the \$447 million investment in mains and services since 1996 by the following categories: (a) efforts to expand the total throughput in the system; (b) focus on system replacements for reliability; and (c) compliance with state, federal, and local regulatory requirements.
- DTE 4-22 Refer to the pre-filed testimony of Mr. McClellan at 44 and Exh. KEDNE/PJM-8. Please provide the annual total amount of non-revenue producing investments since 1995, indicating the annual dollar changes and the corresponding percentage changes.
- DTE 4-23 Refer to Exh. KEDNE/PJM-8. For each project indicated in this exhibit, please indicate the applicable state, federal, and local regulations with which the project was intended to meet or comply.

- DTE 4-24      Using the format shown in Exh. KEDNE/PJM-8, please provide a list of all the non-revenue producing projects completed in 1995 that were in excess of \$100,000. For each project listed, indicate the applicable state, federal, and local regulations with which the project was intended to meet or comply.
- DTE 4-25      Please provide a schedule that shows from 1995 through 2002: (a) the annual total amount of expenditures on non-revenue producing projects; (b) the annual total amount of expenditures on non-revenue producing projects that were in excess of \$100,000; and (c) the difference between (a) and (b).
- DTE 4-26      Based on most recent data available, please provide for 2003 the monthly total expenditures on ongoing and completed non-revenue producing projects broken down into: (a) projects started prior to January 2003; and (b) projects initiated in 2003.
- DTE 4-27      Refer to Exh. KEDNE/PJM-9. Please provide a breakdown of the annual growth related capital investments into: (a) direct costs; (b) indirect costs; and (c) promotional costs. Provide a detailed description of these three types of costs.
- DTE 4-28      Refer to Exh. KEDNE/PJM-9. Please: (a) describe with supporting documentation the Company's method for determining the indicated annual internal rate of returns ("IRR"); (b) show with supporting data the calculations for the indicated annual IRRs; and (c) provide a copy of the Company's policy on determining the threshold internal rate of return for project initiation.
- DTE 4-29      Please describe with supporting documentation the Company's procedure and criteria for determining whether a capital investment is considered a revenue producing or non-revenue producing project.
- DTE 4-30      Refer to Exh. KEDNE/PJM-10. Please calculate the annual totals of the listed revenue producing investments, and indicate whether the projects listed represent all of the Company's annual revenue producing investments. If there are additional investments, provide the total annual expenditures on revenue producing investments and the difference between these two sets of annual figures.
- DTE 4-31      Refer to Exh. KEDNE/PJM-10. Please: (a) provide the breakdown of the capital investments into direct and indirect costs; (b) provide the breakdown of the marginal capital investments into direct and indirect costs; (c) describe how the Company determined the project's marginal capital investment; and

(d) describe how the IRRs for the total capital investment and marginal capital investment were calculated.

- DTE 4-32 Please provide the revenue producing projects for 1995 using the format shown in Exh. KEDNE/PJM-10. If the total amount of the requested project expenditures for 1995 does not represent the total expenditures on revenue producing projects for 1995, provide the 1995 total amount.
- DTE 4-33 Provide a copy of the Company's system reinforcement plan in effect during 1995 through 2005.
- DTE 4-34 Refer to the pre-filed testimony of Mr. Bodanza at 9. Please provide the total annual Company system reinforcement expenditures further broken down by major categories (e.g., mains, services) from 1995 through 2002. Provide the annual changes of the total amount and each major category from the preceding year and the corresponding percentage changes.
- DTE 4-35 Refer to the pre-filed testimony of Mr. Bodanza at 9. Please describe with supporting documentation how the Company determines or predicts that distribution pressures will be "below acceptable levels on a design day." Provide a copy of any study performed prior to the 2000-2001 heating season that served as the basis for identifying the approximately 1,500 streets with low distribution pressures.
- DTE 4-36 Refer to the pre-filed testimony of Mr. Bodanza at 9-10. Please quantify the basis for the statement that "the past winter as a result of a cold-weather stretch . . . represented a design year for the Company."
- DTE 4-37 Refer to the pre-filed testimony of Mr. Bodanza at 9-10. Please provide a copy of any study used by the Company as a basis to determine the optimal trade-off between the costs of distribution reliability and costs of outages.
- DTE 4-38 Refer to the pre-filed testimony of Mr. Bodanza at 10. Please provide a copy of any document that describes the process of identifying and adopting the "best practices" among KeySpan's operating affiliates to improve safety, reliability, and quality of service.
- DTE 4-39 Please provide the Company's annual year-end length of mains in miles from 1995 through 2002 broken down into: (a) steel; (b) plastic; (c) cast iron; and (d) wrought iron. Provide the annual changes by category and the corresponding annual percentage changes.

- DTE 4-40 Please provide the Company's annual year-end number of services from 1995 through 2002 broken down into: (a) steel; (b) plastic; (c) copper; (d) cast iron; and (e) wrought iron. Provide the annual changes for each category and the corresponding annual percentage changes.
- DTE 4-41 Please provide a copy of the Company's cast iron main replacement/abandonment programs for 1995 through 2005.
- DTE 4-42 Please provide a copy of the Company's annual reports to the Department for years 1995 through 2002 on cast iron mains replaced or abandoned.
- DTE 4-43 Please provide for years 1995 through 2002: (a) the annual length in miles of cast iron scheduled for replacement; (b) the annual length in miles of cast iron actually replaced; (c) the difference between (a) and (b).
- DTE 4-44 Refer to Exh. KEDNE/PJM-8, at 5. Please provide the capital authorization and closing report for project number K00390 customer information services in the amount of \$23,521,031.
- DTE 4-45 Refer to Exh. KEDNE/PJM-8. Please provide for each year from 1995 through 2002: (a) the length in miles and corresponding costs of replacing cast iron mains pursuant to 220 C.M.R. § 113.06; (b) the length in miles and corresponding costs of replacing cast iron mains pursuant to 220 C.M.R. § 113.07; and (c) the length in miles and corresponding costs of replacing cast iron mains pursuant to local regulations (e.g., road re-paving regulations of cities and towns that require a minimum number of years before newly-paved roads can be re-excavated).
- DTE 4-46 Please provide for each year from 1995 through 2002: (a) the number of gas leaks scheduled to be repaired; (b) the number of gas leaks actually repaired; and (c) the annual costs of repair for gas leaks.
- DTE 4-47 For each special/off tariff contract submitted to the Department since the Company's most recent rate case (D.P.U. 96-50) please provide a table in which the first column lists each special contract (list renewals, and note non-renewals) and the first row lists each system improvement project (i.e., pipe replacement, increase in pipe size, etc.) by project number. For each contract, please indicate the distance between the project and the customer served under the contract.

- DTE 4-48 Please identify the unbilled sales/revenues adjustment figure used in the Company's last rate case (D.P.U. 96-50). Provide all documentation, supporting workpapers, and calculations used to derive this figure.
- DTE 4-49 Please provide the amount that Boston Gas adjusted its test-year revenues for unbilled sales/revenues in D.P.U. 96-50. Provide all related supporting workpapers and calculations filed in D.P.U. 96-50.
- DTE 4-50 Please provide a table listing the Company's end of calendar year unbilled sales/revenue adjustment for the past five years (1998-2002).
- DTE 4-51 Refer to Exh. KEDNE/AEL-1, at 11. Does the phrase "overall Company average" refer to a gas cost and billing rate employed by all of Keyspan's local distribution companies operating in Massachusetts or a gas cost and billing rate employed strictly by Boston Gas?
- DTE 4-52 Refer to Exh. KEDNE/AEL-1, at 11. Please identify the Department precedent that the Company refers to on line 18 and provide the full citation.
- DTE 4-53 Refer to Exh. KEDNE/AEL-2, at 9. Provide all workpapers and underlying data supporting the calculation of the figures listed under the column entitled "Unbilled Gas Cost Rate."
- DTE 4-54 Refer to Exh. KEDNE/AEL-2, at 1. Provide all workpapers and underlying interruptible sales and interruptible transportation data supporting the negative \$6,274,641 figure reported for non-firm revenues.
- DTE 4-55 Refer to Exh. KEDNE/AEL-2, at 1. Provide all workpapers and underlying data supporting the negative \$1,058,800 figure reported for energy efficiency revenue.
- DTE 4-56 Refer to Exh. KEDNE/AEL-2, at 1. Provide all workpapers and underlying data supporting the negative \$4,261,765 figure reported for broker revenues.
- DTE 4-57 Provide a table detailing the annual amount of broker revenues collected by Boston Gas for the past five years (1998-2002).
- DTE 4-58 Refer to Exhs. KEDNE/AEL-2, at 1; KEDNE/AEL-3, at 1. Comparing the energy efficiency, ECS, broker, non-firm and unbilled revenue adjustments made to both gas operating revenues and cost of gas reveals differences in the dollar amounts of each respective adjustments (i.e., the broker revenue



adjustment of negative \$4,261,765 to gas operating revenues differs from the broker revenue adjustment of negative \$4,236,326 to cost of gas). Should these adjustments be the same? If yes, please identify the reasons behind each of the differences. If no, explain why.

- DTE 4-59 Refer to Exh. KEDNE/AEL-1, at 15. Do the adjustments made to the test-year cost of gas include adjustments to costs recovered through the Company's LDAF? If so, why are such costs included?
- DTE 4-60 Refer to Exh. KEDNE/AEL-3, at 1. Provide all workpapers and underlying data supporting the \$641,891 adjustment reported for non-firm margin retention.
- DTE 4-61 Please provide a table listing the annual amount of non-firm margins collected by Boston Gas over the past five years. Breakdown each year's non-firm margin total by activity (i.e., off system sales, capacity release, interruptible transportation and interruptible sales).
- DTE 4-62 Refer to Exh. KEDNE/AEL-3, at 1. Please provide all workpapers and underlying data supporting the \$78,800 adjustment reported for the demand-side management ("DSM") incentive.
- DTE 4-63\_\_\_\_Please provide a table listing the annual amount of revenue associated with DSM incentives collected by Boston Gas over the past five years (1998-2002).
- DTE 4-64 Refer to Exh. KEDNE/AEL-2, at 1. Please list those revenue adjustment items that have a corresponding adjustment to sales volumes. For each item, provide the total sales volume adjustment.